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433 Further expansion of the vegetable oil extraction plant would be justified, the more so since increasing quantities of cotton seed will be available for crushing and the existing plant does not meet domestic requirements. Hydrogenation equipment for making cooking fats might also be added, and the capacity of the appurtenant soap plant might be enlarged so as to cover about half of Iraq's needs. The capacity of the country's only modern shoe factory, a small enterprise, might well be tripled to reach an output of about 100,000 pairs per year. Similarly, a plant producing aluminum utensils could well be expanded and complemented by facilities for melting and rolling aluminum scrap and pig, thereby substantially reducing costs of production.

Establishment of New Industries

Among the new industrial enterprises which could be advantageously launched are a jute mill, bonemeal fertilizer plants, an automobile tire factory, a small steel mill, a central machine shop, a concrete batching plant and a plant for the manufacture of date boxes. For all of these there is sufficient demand, and production could take place economically on a small scale. The small steel plant would smelt domestically available scrap and produce in a hand-operated mill such items as reinforcing bars, window frames and small angles. The central machine shop would replace the numerous small shops now engaged primarily in maintaining the 3,000 irrigation pumps in Iraq. This shop would significantly reduce the cost of maintaining pumps and, since these pumps are of relatively simple construction, would also be able to manufacture them. Small bonemeal plants could be built at Mosul, Baghdad and Basra to convert bones and other offal of abattoirs into a valuable fertilizer for domestic use. The growing demand for jute bagging would justify the installation of a jute mill capable of making about 10,000 tons of jute products per year. A small tire plant to manufacture tires under foreign license and with foreign technical assistance might also be feasible in a few years, particularly since the demand for tires has been growing rapidly and the development of road transport is expected to receive considerable impetus in the future. A concrete batching plant with ready-mix trucks would be useful in providing poured concrete for many small construction projects.

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Machine Shop

312 There are about 150 very small machine shops in Baghdad. The total labor force in these shops is approximately 400. They do various types of metal work but by far the most important is the normal maintenance work on more than 3,000 diesel-driven irrigation pumps. While the workmanship is good, costs are very high because of the heavy overhead.

All of this work could be readily accomplished in one small, modern machine shop equipped with metal fabricating facilities, electric repair shops and including a modern foundry. With such facilities, not only could maintenance work on irrigation pumps and engines be carried out, but completely new diesel-driven pumps could be manufactured, replacing those now imported. It would, of course, be necessary to import special items such as fuel pumps, bearings and gears. Likewise, the design should be obtained through a license arrangement with some international firm. This plant would reduce the cost of present maintenance work by about one third and constitute the beginning of a modern equipment manufacturing concern. The shops thus replaced could be moved to rural areas to handle local automotive and agricultural machinery repairs.

The cost of such a machine shop would be about ID 600,000, including ID 500,000 of foreign exchange, mostly pounds sterling. It should be financed by private capital in conjunction with the Industrial Bank.

Jute Mill

288 [439] Jute products such as sacks, hessian cloth and twine are now being imported at the rate of about ID 384,000 per annum. The demand for such products is increasing and appears to be large enough to warrant establishment of a jute industry, even though the raw material will need to be imported. Ultimately it may even prove feasible to grow jute in Iraq.

The plant should be capable of making about 10,000 tons of jute products per year. The cost of such a mill would be about ID 500,000, including ID 400,000 in foreign exchange, mostly in pounds sterling. This mill could be financed by private capital and the Industrial Bank. It is recommended that it be located